

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S/001/0044 Mine Name OPAL MINE - ML 46957  
 Operator STONE ART COMPANY Date CLOSED DEC 14 2009  
 TO JOHN HECHTLE FROM PAUL BAKER

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☒ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
Cover CLOSURE LETTER DEC 14 2009 2009 - 0002

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
BOND FILE CLOSURE 2009 - 0001

**CONFIDENTIAL**

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
BOND FILE CLOSURE 2009 - 0002

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_

CC: \_\_\_\_\_

50010044

110002207

Account Number:

Account Name: UST - OGM - John Hechtle dba Stone Art C

Tran #: 16133253

Admin Name: Raylyn Daniel - UST 801-844-8523

Date: 12/02/2009

This check constitutes payment of the following:

Escrow Disbursements  
final release of acct #

Paid For:

Amount: **\$1,049.14**

110002207

Payee:

OGM - John Hechtle dba Stone Art Co.  
c/o Utah State treasurer  
350 N State Street Ste 180  
PO Box 142315  
Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 09624493

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

**OFFICIAL CHECK**

110002207

Zions First National Bank  
Salt Lake City, Utah  
801-844-7089

UST - OGM - John Hechtle dba Stone Art C

Trust Account 8911963

12/2/2009

**\$1,049.14\*****One Thousand Forty Nine Dollars & 14/100**

Pay to the Order Of:

OGM - John Hechtle dba Stone Art Co.  
c/o Utah State treasurer  
350 N State Street Ste 180  
PO Box 142315  
Salt Lake City UT 84114-2315Details on Back  
Security Features Included.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940



---ooOoo---

**SMALL MINE RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **John Hechtle dba Stone Art Co.** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/001/044** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

☒ **APPROVED**

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

☒ APPROVED

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

John Hechtle Stone ART CO.  
Operator Name

By [Signature] OWNER OPERATOR  
Authorized Officer (Typed or Printed)

Authorized Officer - Position

\_\_\_\_\_  
Officer's Signature

9/11/06  
Date

STATE OF Utah )

) ss:

COUNTY OF Utah )

On the 11 day of Sept, 2006, John Hechtle  
personally appeared before me, who being by me duly sworn did say that he/she  
is an OWNER (owner, officer, director, partner, agent or other  
(specify)) of the Operator John Hechtle owner and duly  
acknowledged that said instrument was signed on behalf of said Operator by  
authority of its bylaws, a resolution of its board of directors or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

[Signature]  
Notary Public

Residing at Provo, Utah

12-16-06  
My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

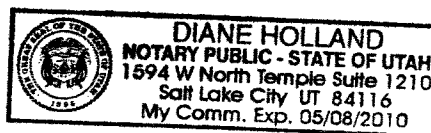
11/8/2006  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 8<sup>th</sup> day of November, 2006, John R. Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John R. Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

Diane Holland  
Notary Public  
Residing at: Salt Lake City, Utah

05/08/2010  
My Commission Expires:





FACT SHEET

Commodity: Opal  
Mine Name: OPAL MINE - ML 46957  
County: Beaver  
Disturbed Acres: LESS THAN HERE

Operator Name: John Hechtle dba Stone Art Co.  
Operator address: PO BOX 35 Orem Utah 84057  
Operator telephone: (801) 373-0719  
Operator email: NONE

Surety: Cash (transfer from SITLA)  
Bank Name: Zions Bank through Utah State Treasurer  
Surety Amount: \$1,000.00  
Account number: Attachment A, to be issued  
Contact: Beth Ericksen, DOGM, 801 538 5318

Social security number: FED ID. #

RECEIVED  
OCT 30 2006  
DIV. OF OIL, GAS & MINING

S1001044



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 16, 2009

Coleen Hackwell, Financial Analyst  
State of Utah  
Office of State Treasurer  
E315 State Capitol Complex  
Post Office Box 142315  
Salt Lake City, Utah 84114-2315

Subject: Authorization for Release of Cash Deposit Held by Utah State Treasurer, Stone Art Company, Opal Mine ML-46957, S0010044, Beaver County, Utah

Dear Ms. Hackwell,

The Utah State Treasurer is presently holding funds for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for the following projects:

| Permit ID | Mine Name | BOND AMOUNT             |                                 |                             | OPERATOR<br>Check payable to | Account<br>Number |
|-----------|-----------|-------------------------|---------------------------------|-----------------------------|------------------------------|-------------------|
|           |           | Total<br>Amount<br>Held | Release<br>Amount<br>Requested* | Amount<br>to be<br>Retained |                              |                   |
| S0010044  | Opal Mine | \$1,000                 | \$1,000                         | \$0                         | Stone Art Company            |                   |

\*The amount requested includes does not include interest.

Please note that the total amount to be release is to include interest accrued in this account, and the total amount to be retained in the account is \$0.

Please make the check payable to the operator and remit the funds to the Division, attention: Minerals Regulatory Program—Bond Coordinator.



Page 2  
Coleen Hackwell  
S0010044  
November 16, 2009

If you have any questions or require further discussion regarding the content of this letter, please contact Penny Berry, bond coordinator, at 801-538-5291, or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov).

Sincerely,

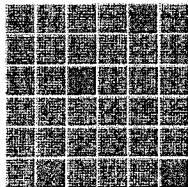
A handwritten signature in black ink, appearing to read 'Dana Dean', with a stylized flourish extending from the end.

Dana Dean, P.E.  
Associate Director

DD:tm:pb

cc: wstokes@sitla.com

P:\GROUPS\MINERALS\WP\M001-Beaver\S0010044-OpalMine-ML46957\bond\cashr-2828-11092009.doc



State of Utah  
School & Institutional  
Trust Lands Administration

Jon M. Huntsman, Jr.  
Governor

Kevin S. Carter  
Director

675 East 500 South, Suite 500  
Salt Lake City, UT 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
www.trustlands.com

S/001/0044  
cc: Tom  
Penny

1001

September 1, 2009

Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Attn: Tom Munson

Re: Release of Bond, Opal Mine, Stone Art Company, DOGM Permit # S/001/0044, SITLA  
Lease # ML 46957

Dear Mr. Munson:

The School and Institutional Trust Lands Administration is in receipt of the request for release of reclamation bond for the above referenced exploration on trust lands.

The Divisions of Oil, Gas and Mining ("DOGM") site inspection of July 1, 2009 documents the historic condition of this well know rock-hounding area. These lands are still held by an active Gemstone lease (ML 46957) that was assigned to James B. Burr by the former lessee John D. Hechtle on June 23, 2006. We have no documentation that Mr. Burr has applied for continued removal of material from this site. Never-the-less, the Trust Lands Administration concurs with DOGM's recommendation that the \$1,000.00 reclamation bond be released.

Sincerely

William M. Stokes  
Minerals Resource Specialist



JON M. HUNTSMAN, JR.  
Governor  
GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

### Inspection Report

#### Minerals Regulatory Program

Date: July 14, 2009

Reviewed: \_\_\_\_\_

|  |                             |
|--|-----------------------------|
| Mine Name: Opal Mine – ML 46957            | Permit Number: S/001/0044   |
| Operator Name: Stone Art Company           | Inspection Date: 07/01/2009 |
| Inspector(s): Brett Gregory for Tom Munson | Time: 10:00 am              |
| Other Participants: None                   | Mine Status: Reclaimed      |

| Elements of Inspection   | Evaluated                           | Comment                             | Enforcement              |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Revisions, Transfer, Bonds   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Public Safety (shafts, adits, trash, signs, highwalls)                      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Protection of Drainages / Erosion Control                                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4. Deleterious Material  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 5. Roads (maintenance, surfacing, dust control, safety)                        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Concurrent Reclamation  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Water Impoundments  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 9. Soils   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 10. Revegetation   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Air Quality  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 12. Other  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**Bond Amount:** \$1,000.

**Permit fee:** delinquent for 2007 & 2008.

**Purpose of Inspection:** The operator has submitted a request for full site release. The application also came with a letter addressed to Tom Munson of the Division. The letter implies conditions at the mine have not changed from the inception of the lease and any disturbances made thereafter were supposedly from unauthorized people rockhounding.

#### **Inspection Summary:**

- 1) The permit fees have not been paid for the past two years in the amount of \$300 dollars. The fees need to be paid before the bond can be released. (Note - State lease transfers do not exempt the operator from paying all 'active' permit fees.)
- 2) There was only one small outcrop between four or five feet high that is stable and does not appear to be a safety hazard. I don't believe anything can grow on this outcrop and I recommend it be considered reclaimed. (See pictures.)
- 5) The roads getting to the site were improved and accessible. I was unable to make a determination whether or not these were pre-existing or part of the mining disturbances at the time of my inspection. This site has been a documented rock hound site for 50 years.
- 7) Several pre-act excavations and disturbances were evaluated. The operator has provided an aerial photograph of the site to address these areas. It should also be noted the permittee claims no heavy machinery was used

and that all mining had been done by hand. Unfortunately, the Division has no record if any attempts were made to reclaim these hand disturbances or if these hand disturbances caused any significant disturbance.

10) No documentation was provided suggesting the area of hand disturbances had been reseeded. Some plants are growing naturally and can be seen in the photographs. Due to the lack of suitable soil for revegetation, and the pre-existing facts presented by the operator, it is my recommendation the area be considered for closure.

12) I walked the area with a GPS handheld unit to map what is currently disturbed; and for possible future documentation.

(Photos attached)

**Conclusions and Recommendations:** The site meets reclamation standards. At this time, it is my recommendation that all past due fees be paid, the file closed, and the bond released.

**Inspector's Signature** \_\_\_\_\_

BG:vs

cc: John D Hechtle

John Blake, SITLA

P:\GROUPS\MINERALS\WP\M001-Beaver\S0010044-OpalMine-ML46957\inspections\insp-07012009.doc



Lower rock hounding pit and possible highwall.



Rock hounding pit.



Main disturbance. (Supposedly pre-existing?)



Small amount of visible vegetation.



EDWARD T. ALTER, CPA  
STATE TREASURER

# STATE OF UTAH

OFFICE OF STATE TREASURER

E315 STATE CAPITOL COMPLEX

P. O. Box 142315

SALT LAKE CITY, UTAH 84114-2315

TEL: (801) 538-1042

FAX: (801) 538-1465

TDD: (801) 538-1042

ROBERT C. KIRK  
CHIEF DEPUTY STATE TREASURER

CHRISTINE M. BRANDT  
STATE INVESTMENT OFFICER

December 15, 2006

Ms. Beth Ericksen  
Division of Oil, Gas & Mining  
1594 W North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114

Dear Ms. Ericksen:

I hereby certify that as of November 10, 2006, John Hechtle dba Stone Art Co. has deposited with the Utah State Treasurer cash or securities valued at \$1,000.00 and described as follows:

Interest bearing escrow account      held at Zions First National Bank

The above described securities have been deposited and assigned to the Utah State Treasurer as a Reclamation Surety as required by Section 40-8-14 Utah Code Annotated, and will be held by the Utah State Treasurer until release is requested by the Division of Oil, Gas & Mining.

Sincerely,

Coleen Hackwell  
Financial Analyst

☒ APPROVED

Attachment A  
S/001/044  
Opal Mine-ML 46957  
\$1,000.00



**STATE OF UTAH**  
**TO: EDWARD T. ALTER, UTAH STATE TREASURER**  
 DIVISION OF FINANCE, 2110 STATE OFFICE BLDG, SALT LAKE CITY, UTAH 84114  
 STATE VENDORS



WARRANT NUMBER  
**F 6626370**

PAYABLE ON  
 UTAH STATE TREASURER **31-289**  
 SALT LAKE CITY, UTAH 84114 **1240**

**PAY ONE THOUSAND DOLLARS AND 00 CENTS**

**ORDERED**  
 TO THE ORDER OF

DIVISION OF OIL, GAS, & MINING  
 1594 WEST NORTH TEMPLE  
 SUITE 1210  
 SALT LAKE CITY UT 84114--5801

VOID ONE YEAR FROM DATE

| MONTH | DAY | YEAR |
|-------|-----|------|
| 06    | 29  | 06   |

| PAY THIS AMOUNT  |
|------------------|
| \$ *****1,000.00 |

*Richard Berke*  
 DIVISION OF FINANCE

DETACH BEFORE CASHING  
 STATE OF UTAH, Division of Finance  
 2110 State Office Building, Salt Lake City UT 84114



| VOUCHER #     | INVOICE #  | DESCRIPTION              | AMOUNT   |
|---------------|------------|--------------------------|----------|
| 0 6TLA0101916 | MNS 3/3/06 | ML 46957 - TRANSFER BOND | 1,000.00 |

*James B. Burr*  
 Permit # S10011044  
 ML # 46957

**RECEIVED**  
**JUL 18 2006**  
 Div. of Oil, Gas & Mining

**Cash RECEIPT**

Date NOV. 3 06

**MINERALS BOND \$1000~**

| Amount \$     |  |
|---------------|--|
| Permit Number | S10011044  |
| Operator      | JOHN HECHTLE dba STONE   |
| Received by   | Beth / contract \$ / VPR                                       |
| Signature     | I confirm the dollar amount of this check is correct <i>BQ</i> |

## Penny Berry - Opal Mine S0010044

---

**From:** Penny Berry  
**To:** Tom Munson  
**Date:** 11/5/2009 12:14 PM  
**Subject:** Opal Mine S0010044  
**CC:** Paul Baker

---

Hi Tom,

Back on 8/24/09 I sent an email to you asking for the bond release letter. I reviewed my pending files and found that there is still no release letter. Please can you draft one. It is a cash surety so you will have to address it to the state treasurers. Thanks.

Penny

**Penny Berry - Opal Mine S0010044**

---

**From:** Penny Berry  
**To:** Tom Munson  
**Date:** 8/24/2009 2:55 PM  
**Subject:** Opal Mine S0010044

---

Hi Tom,

I received some copies of the permit fee check and inspection report. There is a post-it note stating that you need to prepare the closure and bond release letters. I went on the o:drive and there is nothing in the draft or final folder. Please can you draft a letter. Thanks.

Penny

Sent email to TM is this ready  
for release \$1,000 SITLA concurs  
on 9/1/09



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

RECEIVED

AUG 19 2009

DIV. OF OIL, GAS & MINING

**Inspection Report**  
**Minerals Regulatory Program**  
**Date: July 14, 2009**

Reviewed: AK

|   |                                    |
|---|------------------------------------|
| <b>Mine Name:</b> Opal Mine – ML 46957                      | <b>Permit Number:</b> S/001/0044   |
| <b>Operator Name:</b> Stone Art Company                     | <b>Inspection Date:</b> 07/01/2009 |
| <b>Inspector(s):</b> Brett Gregory for Tom Munson <u>BG</u> | <b>Time:</b> 10:00 am              |
| <b>Other Participants:</b> None                             | <b>Mine Status:</b> Reclaim        |

| Elements of Inspection   | Evaluated                           | Comment                             | Enforcement              |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Revisions, Transfer, Bonds   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Public Safety (shafts, adits, trash, signs, highwalls)                      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Protection of Drainages / Erosion Control                                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4. Deleterious Material  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 5. Roads (maintenance, surfacing, dust control, safety)                        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Concurrent Reclamation  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Water Impoundments  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 9. Soils   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 10. Revegetation   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Air Quality  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 12. Other  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**Bond Amount:** \$1,000.

**Permit fee:** delinquent for 2007 & 2008.

**Purpose of Inspection:** The operator has submitted a request for full site release. The application also came with a letter addressed to Tom Munson of the Division. The letter implies conditions at the mine have not changed from the inception of the lease and any disturbances made thereafter were supposedly from unauthorized people rockhounding.

**Inspection Summary:**

- 1) The permit fees have not been paid for the past two years in the amount of \$300 dollars. The fees need to be paid before the bond can be released. (Note - State lease transfers do not exempt the operator from paying all 'active' permit fees.)
- 2) There was only one small outcrop between four or five feet high that is stable and does not appear to be a safety hazard. I don't believe anything can grow on this outcrop and I recommend it be considered reclaimed. (See pictures.)
- 5) The roads getting to the site were improved and accessible. I was unable to make a determination whether or not these were pre-existing or part of the mining disturbances at the time of my inspection. This site has been a documented rock hound site for 50 years.
- 7) Several pre-act excavations and disturbances were evaluated. The operator has provided an aerial photograph of the site to address these areas. It should also be noted the permittee claims no heavy machinery was used

and that all mining had been done by hand. Unfortunately, the Division has no record if any attempts were made to reclaim these hand disturbances or if these hand disturbances caused any significant disturbance.

10) No documentation was provided suggesting the area of hand disturbances had been reseeded. Some plants are growing naturally and can be seen in the photographs. Due to the lack of suitable soil for revegetation, and the pre-existing facts presented by the operator, it is my recommendation the area be considered for closure.

12) I walked the area with a GPS handheld unit to map what is currently disturbed; and for possible future documentation.

(Photos attached)

**Conclusions and Recommendations:** The site meets reclamation standards. At this time, it is my recommendation that all past due fees be paid, the file closed, and the bond released.

Inspector's Signature

BG:vs

cc: John D Hechtle

John Blake, SITLA

P:\GROUPS\MINERALS\WPM001-Beaver\S0010044-OpalMine-ML46957\inspections\insp-07012009.doc



Lower rock hounding pit and possible highwall.



Rock hounding pit.



Main disturbance: (Supposedly pre-existing?)



Small amount of visible vegetation.



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

RECEIVED

AUG 19 2009

DIV. OF OIL, GAS & MINING

**Inspection Report**  
**Minerals Regulatory Program**  
**Date: July 14, 2009**

Reviewed: LL

|  |                             |
|--|-----------------------------|
| Mine Name: Opal Mine - ML 46937                      | Permit Number: S/001/0044   |
| Operator Name: Stone Art Company                     | Inspection Date: 07/01/2009 |
| Inspector(s): Brett Gregory for Tom Munson <u>LL</u> | Time: 10:00 am              |
| Other Participants: None                             | Mine Status: Reclaim        |

| Elements of Inspection                | Evaluated                           | Comment                      | Enforcement              |
|---------------------------------------|-------------------------------------|------------------------------|--------------------------|
| 1. Permits Revisions, Transfer, Bonds | <input checked="" type="checkbox"/> |                              | <input type="checkbox"/> |
| 2. Public Safety                      | <input checked="" type="checkbox"/> |                              |                          |
| 3. Protection                         | <input checked="" type="checkbox"/> | Tom: prepare closure         |                          |
| 4. Deleter                            | <input type="checkbox"/>            | & Bond release letters,      |                          |
| 5. Roads                              | <input checked="" type="checkbox"/> |                              |                          |
| 6. Concur                             | <input type="checkbox"/>            |                              |                          |
| 7. Backfill shafts,                   | <input checked="" type="checkbox"/> | refer to comments under      |                          |
| 8. Water                              | <input type="checkbox"/>            | conclusions & Recommendation |                          |
| 9. Soils                              | <input checked="" type="checkbox"/> | of inspection Report,        |                          |
| 10. Revegetation                      | <input checked="" type="checkbox"/> |                              |                          |
| 11. Air Quality                       | <input type="checkbox"/>            |                              |                          |
| 12. Other                             | <input checked="" type="checkbox"/> |                              |                          |

CE: Tom M.

Additional Info. for

Task # 2828

**Bond Amount:**

2008.

**Purpose of Ins**

a letter addressed  
the inception of  
rockhounding.

Il site re  
ondition  
pposedly from unauthorized prop-

**Inspection Summary:**

1) The permit fees have not been paid for the past two years in the amount of \$300 dollars. The fees need to be

STONE ART COMPANY

P.O. BOX 35  
OREM, UT 84059  
(801)373-0719

ORIGINAL CHECK  
ROUTED TO ACCOUNTING

1887

DATE August 18, 09

31-5/1240  
71

PAY  
TO THE  
ORDER OF

State of Utah Dept of Nat Res, \$300.<sup>00</sup>

DOLLARS

ZIONS BANK

Orem Office  
462 West 800 North  
Orem, Utah 84057  
www.zionsbank.com

FOR ML 46597

⑈001887⑈ ⑆124000054⑆ 071816818⑈



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 18, 2006

John D. Hechtle, DBA  
Stone Art Co.  
Post Office Box 35  
Orem, Utah 84059

Subject: DOGM Request for Information in Reclamation Contract, Stone Art Co.,  
Opal Mine – ML 46957, S/001/044, Beaver County, Utah

Dear Mr. Hechtle:

The Division has received an original, signed and notarized small mine reclamation contract, however, the associated FACT SHEET was not included. In order to proceed with the account establishment of the recent SITLA fund transfer of \$1000.00, the enclosed FACT SHEET must be completed and returned to the Division immediately.

If you have any questions or require further discussion, please contact me at 801-538-5318.

Sincerely,

Beth Ericksen  
Minerals Surety Coordinator  
Minerals Regulatory Program

SMW:BE;be  
Cc: Beth Ericksen, OGM



FACT SHEET

Commodity: Opal  
Mine Name: OPAL MINE - ML 46957  
County: Beaver  
Disturbed Acres: \_\_\_\_\_

Operator Name: John Hechtle dba Stone Art Co.  
Operator address: PO BOX 35 Orem Utah 84057  
Operator telephone: (801) 373-0719  
Operator email: \_\_\_\_\_

Surety: Cash (transfer from SITLA)  
Bank Name: Zions Bank through Utah State Treasurer  
Surety Amount: \$1,000.00  
Account number: Attachment A, to be issued  
Contact: Beth Ericksen, DOGM, 801 538 5318

Social security number: \_\_\_\_\_

S1001/044

Beth



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

August 2, 2006

John D. Hechtle, DBA  
Stone Art Co.  
Post Office Box 35  
Orem, Utah 84059

Subject: DOGM Receipt of Reclamation Surety, \$1000.00 and Reclamation  
Contract Requirements, Stone Art Co., Opal Mine – ML 46957,  
S/001/044, Beaver County, Utah

Dear Mr. Hechtle:

Due to a Memorandum Agreement between SITLA and DOGM, the administration of reclamation surety bonds has been transferred to the Division. On July 18, 2006, the Division received a check from SITLA in the amount of \$1000.00 that served as SITLA reclamation surety for the Opal Mine ML-46957 site. **In order to apply this surety to your small mining operation (SMO), it is necessary to complete the reclamation surety contract (form MR-RC) immediately.**

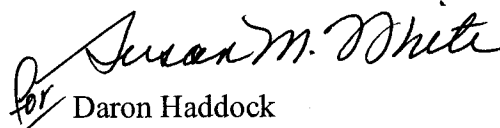
Please contact Minerals Surety Coordinator, Beth Ericksen at 801-538-5318, so the contract can be emailed to you. This contract shall be signed by an authorized person of the company, notarized and returned in its original form to the Division, attention Minerals Regulatory Program.

On June 8, 2006, a Division letter was mailed to all small mine operators requiring a reclamation surety bond for small mines within the state of Utah. This letter has a deadline of December 8, 2006 to meet the surety bond requirements. Additional reclamation surety bond requirements may be necessary. Please contact the reclamation specialist for Beaver County, Tom Munson, 801-538-5321, to obtain assistance in the determination of potential additional surety and permitting requirements.

Page 2  
John D. Hechtle  
S/001/044  
August 2, 2006

If you have any questions or require further discussion, please contact any of the mentioned persons in this letter or myself at 801-538-5325.

Sincerely,

  
for Daron Haddock  
Permit Supervisor  
Minerals Regulatory Program

SMW:BE;be  
Enc: copy of \$1000.00 check  
Cc: Beth Ericksen, OGM  
Tom Munson, OGM  
Susan White, OGM  
P:\GROUPS\MINERALS\WP\M001-Beaver\S0010044-OpalMine-ML46957\STLAMoniesrecvdOpalMine.doc



# State of Utah

School and Institutional  
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
<http://www.trustlands.com>

Jon M. Huntsman, Jr.  
Governor  
Kevin S. Carter  
Director

File 5601/044  
CC: Bond file  
Beth  
Daron ✓

Need Bond Folder

February 2, 2006

SITLA

CERTIFIED MAIL 7160 3901 9842 9870 7913

John D. Hechtle  
P.O. Box 35  
Orem, Utah 84059-0035

mine name  
opal mine - ML 46957  
operator  
Stone Art Company  
Bond Amount

Dear Lessee:

Listed below is a surety that is presently held by the School and Institutional Trust Lands Administration ("SITLA") for reclamation of mining related disturbance that is associated with mineral development on trust lands.

Type of Surety: Cash  
Amount: \$1000  
Account No.: -Ck # 4452  
Issued By: -  
Date Issued: -  
Mineral Lease No.: ML 46957  
DOGM No.: S/001/044

The Division of Oil, Gas and Mining ("DOGM") is the state agency responsible for implementing and enforcing the State of Utah's regulation of mineral mining and reclamation activities (Utah Code Sections 40-8-1 et seq.) and the State of Utah's Surface Coal Mining and Reclamation Program (Utah Code Sections 40-10-1 et seq.). SITLA and DOGM have entered into a Memorandum of Agreement Concerning Cooperative Administration of Mining Operations on School and Institutional Trust Lands, dated January 14, 2005 ("MOU"). The MOU transfers the responsibility for administering the reclamation of disturbances on SITLA's mineral leases to DOGM. Therefore, surety for reclamation shall be provided by the operator of the leased mineral lands to DOGM prior to commencing mining operations, and DOGM will be identified as the owner or holder of the surety. The surety for reclamation shall be held and administered by DOGM, and shall be of a type and in a form as determined to be acceptable by the rules established by the Board of Oil, Gas and Mining. The surety shall be payable to DOGM for use as necessary to satisfy the reclamation obligations of the mineral lessee or operator.

February 2, 2006  
Page 2

In accordance with the MOU and in compliance with the statutory authority of DOGM, SITLA will transfer the above referenced surety to DOGM to be administered by DOGM under their rules. This letter serves as notification of the requirement under your lease to be bonded for reclamation to replace or transfer your surety with DOGM by April 1, 2006. Upon written request and written extension by SITLA additional time for completing this process may be provided. DOGM and SITLA will coordinate their efforts to ease this transition. Questions concerning this process may be directed to Will Stokes at SITLA phone number (801) 538-5153. At DOGM please contact Beth Ericksen at (801) 538-5318. Additional information may be found at the DOGM's website at <http://ogm.utah.gov/minerals>.

Please be aware that adjustment of the bond amount could also be necessary if it is determined that the current amount is insufficient to cover complete reclamation. You will also need to complete a reclamation contract (form MR-RC) with DOGM to conclude the process. Also, as provided for under the rules governing the management and use of school and institutional trust lands (R850-21-800), and as provide for under Article XII of the mineral lease agreement, the lessee or operator may be required to post a separate performance bond with SITLA to assure compliance with all other remaining terms and conditions of the lease not covered by the bond to be filed with DOGM.

We anticipate that bonding for reclamation will be streamlined and hope you view this change as a positive effort to simplify the process. Thank you for your cooperation.

Sincerely



Tom Faddies  
Assistant Director/Minerals